

CHAPTER 125

(Senate Bill 113)

AN ACT concerning

**Sales and Use Tax – Short-Term Vehicle Rentals**

FOR the purpose of ~~repealing~~ *extending* a termination provision applicable to certain provisions relating to the sales and use taxation of short-term rentals of passenger cars, multipurpose vehicles, and trucks; requiring the Comptroller's office to continue to monitor the effects of certain provisions of law and the revenues generated by certain taxes imposed on the short-term vehicle rental industry; and making certain provisions relating to taxation of short-term vehicle rentals permanent.

BY repealing and reenacting, with amendments,  
Chapter 254 of the Acts of the General Assembly of 1993  
Section 3

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Chapter 254 of the Acts of 1993**

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1993. ~~It shall remain effective for a period of 2 6 years and 1 month and, at the end of June 30, 1995 1999, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~ The increased sales and use tax rate for short-term rentals of passenger cars and multipurpose passenger vehicles provided under this Act shall be applicable to all charges for rental agreements entered into on or after June 1, 1993 ~~and before the termination of this Act~~. The altered definition of taxable price for short-term vehicle rentals and the sales and use tax rate provided under this Act shall be applicable to all rental agreements entered into on or after June 1, 1993 ~~and before the termination of this Act~~. The credit for the vehicle excise tax on purchases of passenger cars and multipurpose vehicles used for short-term rentals provided under this Act shall apply to all vehicles titled on or after May 1, 1993 ~~and before the termination of this Act~~, provided that these credits may not be used to offset sales tax remittances until after July 1, 1993.

SECTION 2. AND BE IT FURTHER ENACTED, That the Comptroller's office shall continue to monitor the effects of Chapter 254 of the Acts of 1993 and the revenues generated by the taxes imposed by the State of Maryland on the short-term vehicle rental industry. The Department of Fiscal Services shall review these effects and shall be prepared to brief the fiscal committees or other committees of the General Assemble on request.

SECTION 2. ~~3.~~ AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1995.

Approved May 9, 1995.